

**Gregory J. Smith**  
**Assessor / Recorder / Clerk**  
**County of San Diego**

**PROPERTY TAKEN BY  
GOVERNMENTAL ACTION  
— PROPOSITION 3 —**

**Information**

**1600 Pacific Highway, Room 109**  
**San Diego, CA 92101**  
**(858) 505-6262**

**Branch Office Locations to Serve You**

**CHULA VISTA**  
590 Third Avenue  
Chula Vista, CA 91910  
(619) 498-2200

**EL CAJON**  
200 S. Magnolia Avenue  
El Cajon, CA 92020  
(619) 401-5700

**KEARNY MESA**  
9225 Clairemont Mesa Blvd.  
San Diego, CA 92123  
(858) 505-6262

**SAN MARCOS**  
334 Via Vera Cruz, Ste. 150  
San Marcos, CA 92069  
(760) 940-6868

**— OFFICE HOURS —**

8:00 a.m. – 5:00 p.m. Monday thru Friday  
9:00 a.m. – 3:00 p.m. Saturday (Kearny Mesa Only)

**www.sdarcc.com**

State law allows a property owner to transfer their Proposition 13 base-year value to a comparable replacement property when the original property is acquired by a governmental agency through eminent domain, purchase, or inverse condemnation. The program can result in significant property tax savings when the owner purchases the replacement property.

**How can the property owner benefit from the program?**

The property owner can transfer the taxable value from their former property to their replacement property with no increase in their property taxes.

**Are there any restrictions on the type of replacement property that can be purchased?**

Yes. The replacement property must be similar in size and use of the property taken. Also, the market value of the new property may not exceed 120% of the government's purchase price of the original property.

**Can I still qualify for the program if my replacement property exceeds 120% of the government's purchase price of the original property?**

Yes. You will receive your prior taxable value on the amount up to 120% of the purchase price, and will be reassessed on only the amount exceeding the 120%.

**How soon can I purchase my new property?**

The replacement property can be purchased any time after you receive notice from the governmental agency that your property has been approved for acquisition.

**When should I apply for this exemption from reappraisal?**

You should apply immediately after you acquire your replacement property, and no later than four years from the date the original property was acquired by the governmental agency.

**Does the exclusion apply only to residential property?**

No. The exclusion from reappraisal applies to any property taken by a public agency as long as the replacement property is similar in size and use.

**If the property I am leasing is acquired by a governmental agency, can I qualify for the program?**

No. You must own the property being taken by a governmental agency in order to be eligible for the program.

**Does the program apply throughout California?**

Yes. The program applies throughout the State so long as both the original and replacement property are within California.

**If I purchase a property that has both a store and a residence, will the replacement property qualify for the exclusion?**

Only the portion of the replacement property that is similar to the original property will qualify for the exclusion. The remainder of the property will be assessed at the current market value.

**CALTRANS has a proposed freeway project that has been planned for many years that will include taking my property. Can I purchase a replacement property before it is actually taken?**

No. You cannot purchase the replacement property before the date of a written offer or the date a court declares that the property was taken.

**I am in a redevelopment project area and a private developer has approached me to sell my property. Will I be able to use the exclusion if I sell directly to the private developer?**

No. The property must actually be acquired by a public entity in order to qualify. The threat of condemnation is not enough to qualify for the exclusion.

**My original property was taken and I was paid \$350,000. I purchased a replacement property for \$300,000 and wish to add a bedroom and bath. Will I be assessed for new construction?**

No. The new construction will not increase your assessed value as long as the value does not exceed 120% of the value of the property taken. You must complete the new construction within four years from the date the property was taken as well as file the necessary application.

**I had a 50% interest in a property that was taken by a public entity. How do you determine the assessed value to be transferred to my replacement property?**

Your relief under the exclusion is limited to 120% of the one-half of the purchase price of the property taken.

**Is the program similar to the benefits granted by the Internal Revenue Service?**

Although the relief granted under the program is similar to the relief granted by the Internal Revenue Service, there are important differences. The requirements for property tax relief are generally much more restrictive.

**Where can I get an application?**

You may obtain an application by calling the Assessor's Office at (858) 505-6262, by downloading the application from our web site at **www.sdarcc.com**, by visiting any of our five office locations, or by writing to us at:

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